

Message Text

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PAGE 01 ROME 12930 091939Z

ACTION EUR-12

INFO OCT-01 ISO-00 AF-10 EB-08 TRSE-00 OMB-01 L-03

AID-05 H-02 /042 W

-----056307 100150Z /21

R 091510Z AUG 77

FM AMEMBASSY ROME

TO AMEMBASSY MOGADISCIO

AMEMBASSY BRUSSELS

INFO SECSTATE WASHDC 6425

USDOC WASHDC

UNCLAS ROME 12930

USEEC

E.O. 11652: N/A

TAGS: BDIS, SO

SUBJ: TRADE DISPUTE; PAGE EUROPA VS. GOVERNMENT OF SOMALIA

SUMMARY

AMERICAN MANAGEMENT OF PAGE EUROPA IN ROME, SUBSIDIARY OF PAGE COMMUNICATIONS OF VIENNA, VIRGINIA, HAS CONTACTED EMBASSY CONCERNING THEIR DISPUTE WITH THE GOVERNMENT OF SOMALIA (GOS). DISPUTE CENTERS AROUND NON-PAYMENT BY GOS OF FINAL INSTALLMENT OF CONTRACT PAYMENT FOR QUOTE CONSTRUCTION OF TELECOMMUNICATIONS NETWORK OF SOMALIA, LOTTO TWO AND THREE UNQUOTE. PAYMENT IN QUESTION AMOUNTS TO 150 MILLION LIRE. CONTRACT, ACCORDING TO PAGE, PROVIDED FOR EXEMPTION FROM ALL TAXES; PAYMENT HAS BEEN WITHHELD BY SOMALI POSTS AND TELECOMMUNICATIONS (PT) MINISTER ON BASIS THAT TAXES ARE DUE. END SUMMARY

1. BACKGROUND: AMERICAN DIRECTOR OF FINANCIAL MANAGEMENT FOR PAGE EUROPA IN ROME, MR. DELIA, HAS CONTACTED EMBASSY CONCERNING PAGE'S DIFFICULTY COLLECTING FINAL INSTALLMENT OF PAYMENT FOR WORK DONE ON TELECOMMUNICATIONS NETWORK IN SOMALIA. UNCLASSIFIED

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FINAL INSTALLMENT WAS DUE IN DECEMBER, 1975, AND AMOUNTS TO 150 MILLION LIRE, OR ABOUT \$200,000. PROJECT FUNDING WAS TO COME INDIRECTLY FROM EUROPEAN DEVELOPMENT FUND (EDF) IN BRUSSELS. EDF NOT RPT NOT ACTING AS GUARANTOR, HOWEVER. PROJECT NUMBER IS 211.016.26 AT THE EDF. CONTACT THEREIS MR. DUVAL. PAGE COMMUNICATIONS' HOME OFFICE IN VIENNA, VIRGINIA. CONTACT THERE IS MR. DON TATMAN, VICE PRESIDENT FOR FINANCIAL MANAGEMENT.

2. REASON GIVEN BY GOS PT MINISTER FOR WITHHOLDING PAYMENT WAS NON-PAYMENT BY PAGE EUROPA OF VARIOUS TAXES, INCLUDING FOREIGN PERSONNEL TAXES. PAGE EUROPA STATES THAT IN THEIR CONTRACT THERE IS A SPECIFIC EXEMPTION FROM ALL SOMALI TAXES. AT VARIOUS TIMES, ITALIAN, AMERICAN, AND OTHER NATIONALITY PERSONNEL WERE ON JOB. SOURCING FOR EQUIPMENT WAS ITALY, U.S. AND OTHER COUNTRIES. QUALITY OF WORK NOT RPT NOT IN QUESTION AS PAGE HAS LETTERS FROM GOS STATING THEIR COMPLETE SATISFACTION WITH THE JOB.

3. PAGE EUROPA HAS NOT CONTACTED ANY ITALIAN MINISTRY IN ROME. THEY HAVE CONTACTED THE ITALIAN DELEGATION TO THE EDF AND HAVE NOT RESOLVED ANYTHING. MR. DELIA, IN JANUARY OF THIS YEAR, SOUGHT SOMALI VISA SO AS TO PERSONALLY VISIT THE GOS PT TO RESOLVE THE PROBLEM. THE REQUEST FOR VISA WAS DENIED.

4. AS POINT OF INTEREST, DELIA BROUGHT UP EARLY IN HIS CONVERSATION AN ITEM FOR REPORTS OF RECENT VISIT TO US OF ITALIAN PRIME MINISTER ANDREOTTI CONCERNING ENHANCED U.S.- ITALIAN COOPERATION IN THE THIRD WORLD.

5. ACTION REQUESTED

FOR AMEMBASSY MOGADISCIO: SUGGEST CONTACT ABDULLAHI OSSOBLE SIAD AT GOS PT FOR HIS SIDE OF THE STORY. CONTACT AT FINANCE
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MINISTRY IS SHERIF AHMED OSMAN.

FOR USEEC BRUSSELS: YOU MAY WISH TO INQUIRE OF EDF WHETHER IT HAS ANY VIEWS ON THIS CASE.HOLMES

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Media Identifier:
Review Release Date: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: TRADE DISPUTE; PAGE EUROPA VS. GOVERNMENT OF SOMALIA SUMMARY AMERICAN MANAGEMENT OF PAGE EUROPA IN ROME, SUBSID
TAGS: BDIS, SO
To: MOGADISCIO BRUSSELS
Type: TE
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